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SUBJECT: TANZANIA: JUNE - JULY 2008 POLITICAL ROUNDUP

¶1. (U) The June-July 2008 Political Roundup includes:

- Donors drag feet on direct budget support
- Former Regional Crime Officer on trial for murder
- CHADEMA party deputy killed in road accident
- Handicraft traders disappointed by Sullivan Summit
- Budget session in full swing in Parliament
- Government responds to university riots
- "Phantom teachers" removed from payroll

Donors drag feet on budget support

¶2. (U) Certain development partners who contribute directly to the Government of Tanzania's (GOT) general budget are withholding the 2008/09 disbursements until the Government of Tanzania (GOT) publicly reaffirms its commitment to tackle corruption. Donors are hesitant to support the GOT's general budget following incidents over the last six months of corruption, resignation of ministers including the Prime Minister Edward Lowassa. The donors are also asking for the implementation of recommendations from the Controller and Auditor General's Office (CAG) made in the wake of its investigation into various questionable financial dealings.

¶3. (U) Historically many donors have given unconditional budgetary support to the GOT. However, some partners are reexamining this unconditional support in the wake of allegations of corruption and large sums of unaccounted for funds, with no arrests or prosecutions to date. While the GOT has publicly announced its intentions to move away from the dependence on donor money, the government would need to broaden sources of tax revenue and/or substantially increase its debt through loans to achieve this goal.

Abadallah Zombe trial reveals police brutality, theft

¶4. (U) Former Dar es Salaam Regional Crime Officer, Abdallah Zombe, and 12 other police officers have been accused of killing four wealthy gemstone dealers and a taxi driver on January 16, 2006, in Dar es Salaam. While the officers denied the charges, their trials are revealing the use of arms and execution-style killings that have sparked public outrage and calls for investigations into police brutality and corruption. A pathology report confirms that the four murder victims were shot in the back of the head while sitting or kneeling in a group. This case has highlighted an underlying mistrust of law enforcement authorities in Tanzania and persistent allegations from the public of excessive use of force by the police.

CHADEMA party's deputy chairman killed in road accident

¶5. (U) On July 29, the former Vice Chairman of the CHADEMA opposition party, Chacha Wangwe, died in a road accident. He was the elected Member of Parliament from Tarime district in northern Tanzania. In the weeks immediately prior to the accident, Wangwe had publicly accused other CHADEMA party officials of nepotism, tribalism and misuse of party resources and government stipends. Wangwe had also announced last month that he intended to run for the

national party chairmanship in November, 2008. This led to a bitter leadership argument with CHADEMA party chairman, Freeman Mbowe, and to Wangwe's suspension as national Vice Chairman.

¶16. (U) Wangwe's death left many of his party members accusing CHADEMA officials of foul play. Based on rumors that he had been shot, his relatives protested and forced postponement of his burial ceremony until a second autopsy was performed. The results of this postmortem, held in the presence of family members, government representatives and select party members, affirmed that Wangwe's death was from injuries sustained in the car accident. Wangwe's driver, businessman Deus Mallya, has been arrested for reckless driving and may face manslaughter charges.

8TH SULLIVAN SUMMIT: Tanzanian traders disappointed

¶17. (U) The Eighth Sullivan Summit, although billed as "The Summit of a Lifetime", has been dubbed by many small business owners in Tanzania as the "Disappointment of a Lifetime." Most of the activities at the Summit centered around structured programs in the Arusha International Conference Centre (AICC), planned safaris, and shopping stops away from the conference center. Numerous Tanzanian handicraft traders had rented exhibition space at USD 500 for the week-long event with the expectation of selling wares to the Summit participants. However, there was little mention of the vendors during the Summit's events. Also, the layout of the Summit grounds did not allow for easy access to the vending areas.

¶18. (U) In addition, while some of the handicraft traders had rented exhibition space adjacent to AICC and the Summit grounds, others were given rental space some 10 miles away near the Arusha airport. Several newspaper editorials said the least the organizers could

DAR ES SAL 00000492 002 OF 002

have done was to offer an apology to the vendors who signed on with high hopes yet were unable to realize any profit.

Calls for "people-centered" budget

¶19. (U) June and July are focused on the annual budget session in the Tanzanian Parliament. Members of Parliament (MPs) from several political parties have called for the debate to be centered on duty and patriotism rather than partisanship. Public expectations continue to be high that this year's budget will offer relief from the rising cost of food, transportation, and basic necessities. The cost of living in Tanzania has gone up by 0.7 per cent to 9.7 per cent in a little over one month.

Government acts on university riots

¶10. (U) In mid-2008, the Government of Tanzania established a Commission to investigate and respond to increased violence and disruptive behavior among university students. The Commission is headed by the Minister of Higher Education, Science and Technology, who is charged with discovering the root causes of campus disruptions. Members of Parliament have inquired if the steps taken by the Government have brought about long-term solutions to the problem.

¶11. (U) The Commission's report determined that the main causes of discontent among university students were delays in the disbursement of student loans, shortages of funds for practical training, and an inadequate development and research budget. A government official said that the Student Loan Board for Higher Education has recently been strengthened to iron out problems that led to the June 2007 student demonstrations at the University of Dar es Salaam. The Board has increased both its staff and the qualifications for employment. Also, offices have been better equipped and systems upgraded to improve how to determine the economic situation of loan applicants.

CCM members involved in corruption to face music

¶12. (U) Following a review by the National Executive Committee (NEC) of the ruling Chama Cha Mpinduzi (CCM) party, it was announced June 15 that any members implicated in corruption must be held

accountable and face possible expulsion from the party. This review was a critique of government performance for the first half of CCM's five-year mandate.

¶13. (U) Recent scandals, including the "Richmond deal" and the External Payment Arrears (EPA) scandals, have damaged the ruling party's image and disrupted the CCM internally. The Richmond incident involved an irregular bidding process which awarded a power production contract to the Texas-based Richmond Development Company (RDC). This deal cost Tanzania millions of dollars, but never produced any power.

¶14. (U) The External Payment Arrears (EPA) scandal revealed that payments amounting to millions of dollars were made by authorities at Tanzania's Central Bank to 22 companies that could not justify the payments. Some payments were made on the basis of dubious documentation.

¶15. (U) Former Prime Minister Edward Lowassa; former Minister for Energy and Minerals, Nazir Karamagi; and former Minister for Infrastructure Development, Andrew Chenge, have all been implicated in corrupt practices. All of these events have damaged the ruling party's credibility and image.

Education: phantom teachers

¶16. (U) A government study claims that phantom workers cost Tanzania taxpayers a total of TSh3 billion (USD 2.47 million) between 2001 and 2007. The Minister of State for Public Service Management, Hawa Ghasia, said an investigation uncovered a total of 1,413 ghost teachers in public secondary schools. In efforts to eliminate all phantom teachers from the payroll, the Ministry of Education and Vocational Training removed from the payroll about 1,853 teachers who had been absent for a long periods of time without permission. This brings to a total of 3,266 teachers removed from the payroll as of May 2008.

¶17. (U) The problem at the Ministry of Education and Vocational Training is exacerbated by the failure of officials to submit lists of teachers who retire, die or resign from their jobs. Some teachers were discovered to have more than one payroll number in the Treasury System and were being paid under both numbers.

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